How Data Classification in the Financial Sector Can Improve Security

Financial services companies in India face the big data boom like many other industries. But this sector requires clearer data classification than most to follow tougher financial regulations (like RBI or IRDAI Cybersecurity guidelines) to ensure both corporate and legal accountability. Data classification can help banks, insurers and other financial service companies ensure their data remains safe. That accountability is clear.

The Changing Data Landscape for Financial Services

Whatever the file type, from form letter Word documents to spreadsheets, countless emails and PDFs. The financial services industry floods with new data. Rapid growth of mobile banking and the rise of big data sees companies seek to manage their data classification at all levels.

When it comes to data content classification, every document type needs to fulfill a business need. But they must be classified correctly, so that employees up and down the line are aware of what can be done with the information in each document.

That will only become more important as the ubiquity of mobile banking reduces reliance on traditional paperwork, and the growth in big data analytics changes how businesses think about data. Whatever the changes, all types of document and data need categorizing and classified to protect the business.

Data Classification is also important as new types of currency and transaction enter the business or consumer marketplace. Payments, loans and other transactions are changing rapidly with payment-by-app, the gradual rise of bitcoin and blockchain technologies, and the rise of different credit rating systems will soon change how people can apply for finance.

Whatever the document or financial system, and how the market changes in future, all businesses must be able to classify documents and data types accurately and speedily to protect the company.

Ways that Data Classification Can Prevent Data Disasters

For any financial business, the key to compliance and avoiding regulatory issues is to ensure that all employees, at all levels, are aware of your data classification policies and the tools used to enforce them. There should be an emphasis on user
accountability, ensuring that data classification is everybody’s responsibility with clear guidelines on how to treat each type of data.

All data within the business must be catalogued, classified and searchable, with no legacy or soiled data that could create problems. Experience of data classification and maturity of the tools in use allows the business to create awareness that when new documents or data arrives, then there must be a coherent effort at classification.

Any failure of data classification, be it through a breach, audit or other compliance failure, will have serious consequences. The Reserve Bank of India and the Insurance Regulatory and Development Authority provide cybersecurity guidelines and frameworks with data classification as an important element.

Best Practices for Data Classification for Financial Business

Any company must treat data classification as a business process, not a technology. It must be part of everyone’s work, ingrained from induction and updated with regular training.

Having business users discover and classify data is the most realistic way of understanding the severity of the need, and the value of managing that data correctly. Consistency of classification is key to good business practices. This enables proper handling of documents, and prevent issues, while helping to increase worker awareness around the issues of data sensitivity.

Businesses must use the best tools to match their data needs. Solutions must integrate with data, both current and future. Classification tools will be a key part of any data management solution.

Whatever your company mission among financial services, data classification is one of the key tools in helping succeed as data and documentation grows, as employees learn to handle it.

How can Klassify help?

Klassify can help enforce data classification for documents / email etc. at the end users computing devices and mobile devices. It provides flexibility of creating your own data classification levels and enforcing these levels as polices and also sub levels if required.

Also Klassify along with its partners provides not only the product but also consulting services to help create data flow maps, training on data classification to end users for create awareness. Over a period of time, the reviews and awareness campaigns as services can also be provided.

You may reach out to rohit@klassify.in or +91 7404 130 391 for further details and a demo.